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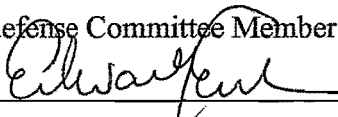
THE THREAT OF LATIN AMERICA POPULISM

AUTHOR:

Commander (Argentine Navy) Gabriel Francisco Alvarez

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Mentor and Oral defense Committee Member: Edward J. Erickson, PhD

Approved: 

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Oral Defense Committee Member: 

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Executive Summary

Title: The threat of Latin America Populism

Author: Commander Gabriel Francisco Alvarez, Argentine Navy

Thesis: Latin America populism is a response to a democratic crisis and its capacity to break the stability in the region is overestimated.

Discussion: During the last ten years, Latin America has experienced a rise in the power of the left wing leaders and the renewal of populism. Populist leaders like Evo Morales in Bolivia, Hugo Chavez in Venezuela, Nestor Kirchner in Argentina and Rafael Correa in Ecuador represent the left wing. These leaders portray an Anti American rhetoric and look to challenge U.S. influence and American interests in the region. The normal end state of this type of leadership is the polarization of the affected society, authoritarianism and social and economical collapse. In international opinion, populism has been considered extremely dangerous for regional stability. In spite of these facts, his policies have been more cooperative than competitive, and his capacity of influence and promote a lack of stability in the region overestimated.

Conclusion: The consequences of the populist regimen are perhaps not as starkly threatening to the United States and the regional stability as was assumed. The threat of Latin America

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1. Introduction:

The Latin America populism has refused to disappear and is still a recurrent phenomenon in the politics of Hispanic America, like an endemic situation through the history. The first example of classic populism could be found in 1940. Despite the fact that Latin America is governed by democratic governance; the phenomenon of populism continues to recur. The Latin American version of populism is not only the populism in the street but is also the populism in the power as well.

This authoritarian phenomenon operates in tandem with the democratic system. This hybrid system between democracy and authoritarianism has unique characteristics. The new populism was understood to be a left turn in the Hispanic America policy, and was considered by former president of Spain, Jose Maria Aznar, as a danger to the regional stability and placed the populism threat in the same level as that of terrorism.¹

This work will analyze the phenomenon of Latin America populism and its relationship with the democracy through the three historic populist models, paying special attention to the left wing populism in power in the cases of Venezuela and Bolivia.

The Venezuela case will be analyzed because Hugo Chavez represents the classical example of the populism in Hispanic America and also for his pretention of influence in the continent and his will to be a leader in the region. The Bolivia case will be analyzed because Evo Morales represents the rise in power of an indigenous leader and the country's governability crisis still continues like a class struggle between the old political party and the new indigenous organizations. In addition, both countries have geopolitical relevance in the region from

important source in gas and petroleum that are used like tools for international and national policies.

This paper's aim is to prove that the radical populism is not a danger for stability in the region and populism's capacity to break the stability is overestimated, despite its anti-American rhetoric. Populism policies in fact are more cooperative than competitive in the most important interests.

With these goals in mind the first chapter provides a general approach of the populism and the different waves along the Latin America history. Next this research will examine both Bolivia and Venezuela cases and their relationship with the different governments in the region. The third chapter will analyze the competitive and cooperative policies in the considered cases to arrive at the conclusion that the Latin America populism is a response to a democratic crisis and its capacity to break the stability in the region is overestimated.

1. Populism's Historical Development in Latin America.

Populism in Latin America is the result of the political and historical factors. Historical factors can be found in the political culture of patronage-based networks. In these networks the people were not really citizens and their rights were a gift given by the patron o caudillo (Latin American military dictator)² with a strong personality. These gifts were given in exchange for his political support. In some indigenous areas this negative practice still continues. This situation is in fact a weakness in the democratic system of the region.

The weak states are vulnerable to the economic fluctuations, of the international economy and they are not able to provide services to their citizens. In addition the elitist governments have failed to create a political and social sense of citizenship and an inclusive system. Poverty and difficulty with class mobility is endemic.³ This is the best scenario to promote populism's rise in power.

In spite of the populism having its roots in the second half of the century in Russia and the United States, populism in South America had been transformed in a cyclical situation. From The main features of the populism in South America and populism's common denominators are:

- The rhetoric is reformist.
- The relationship between the leader and the population do not have intermediaries. It makes a charismatic leader closer to authoritarianism than to democracy. The leaders deploy emotive or sentimental rhetoric appealing to patriotism, religion or national sovereignty, normally is focused the enemy in the oligarchy or the empire ("el imperio" / "la oligarquia")

- The populist leaders are able to distinguish themselves from the traditional political establishment.
- The populist leaders spur media based communications with the people. Electoral mechanism and very often public referenda, are their main instruments of democratic legitimacy.⁴
- The Populist system only works while economic wealth produced by advisable prices of national products in the international market exists or injection of money by means of loans or privatizations of national companies. Without these economic conditions, it is impossible to maintain the political clientelism produced by this system.
- A context of crisis representation is favorable to the appearance of these populists leaders. The population does not feel represented by the structures of the traditional political parties, and these leaders consolidate their power contribute to the crisis of the democratic institutions.⁵
- The populist leader promotes prolific social spending, centralized power in the presidency and promotes the hatred to lash out at Washington.⁶

The Three Populist Waves:

The first populist wave is national populism. Juan Domingo Peron from Argentina, Getulio Vargas in Brazil, and Maria Velazco Ibarra en Ecuador appeared as the first populist figures in the 1940s.

Each of these charismatic leaders was supported by a large amount of workers through the appearance of the universal suffrage, against oligarchic liberal parties dominated by the lands owners that did not care for their populations. The social demands

were channeled vertically through the populist movement and the figure of the leader was in charge to resolve the different demands of the population.

Ideologically they were incoherent but they attempted to be inclusive. Their style was nationalistic. They drew on native traditions. "The core populist message promised change without altering the fundamental nature of society. Populist parties also claimed to have the answer to the problems of the nations and argued that those who opposed them are unpatriotic".⁷

As an example of the previous deception climate of alienation of the worker class could be found in some lines of Argentine tango, the popular urban music of the era written by Enrique Santos Discepolo in his song "Cambalache" ("Junkshop"). The following lines give a good example of popular frustration.⁸

"Today it makes no difference
Whether you are honest or traitor
Ignorant, wise or a thief,
Generous or crooked;
All's the same, nothing is better"

The first wave of populism was more nationalist than class struggle - focused, with formulas missing clear management programs and was, more anti-American than pro-Soviet. In spite of their social discourses, these leaders always took care to make a clear distinction between themselves and Marxist / Leninist orthodoxy. It is possible to find some similarities between the Latin America populism at this time and the Benito Mussolini's Italian Fascism.

The second wave was the neo-populism of the 1990's. At the end of the 1980's various right wing populists rose to power. The most representative of this wave were Carlos Saul Menen in Argentina and Adalberto Fujimori in Peru. These populist leaders

proceeded to apply neo-liberal economic policies followed by recommendations of the so-called Washington Consensus.⁹ These leaders concentrated the power in their hands and abused their political leadership.

The terrible result of these policies was the privatization of the state's firms and the substitution of national goods for imported products which promoted unemployment, social frustration and corruption. The rise of corruption in all the privatization processes was a normal factor. The final chapter was a disastrous legacy with an economic, political and social crash in their respective countries. Adalberto Fujimori is in jail from corruption charges and Carlos Saul Menen faces judicial investigation. Argentina arrived at economical collapse in 2001.

The third wave is the current actual populism in Latin America. It is possible to distinguish the actual populism to the previous two waves by its left wing political discourse and orientation. These facts make some observers argue that Latin America has shifted to the left.¹⁰ The reason of this common affirmation is based in the changes in the political map of the region.

During the last ten years, the liberal governments of the nineties have been changed by Social-Democratic parties and Populists. In spite of this affirmation it is necessary to make a distinction between the arrival into the power of leftist parties, as in the case of Luis Ignacio Da Silva in Brazil, Tabare Vazquez in Uruguay, Alan Garcia in Peru and the former president Michelle Bachellet in Chile, (In the election of January 2009 a right wing party gained the elections by an small difference).

In fact, these reformist and modern leaders are more situated in a socialist European style and are not connected with the great Latin American tradition of Populism. It is possible to define these leaders more accurately as social democrats.¹¹

On the other hand, leaders like Hugo Chavez in Venezuela, Evo Morales in Bolivia, Rafael Correa in Ecuador, Cristina Fernandez de Kirchner and her husband (the former president Nestor Kirchner) in Argentina, represent the left wing of the populism and maintain the negative practices of the classic Latin America Populists. These leaders represent radical populism.

The characterization of the so-called new left wing Populism can be founded in “The refusal to embrace import substitution, and from neo-populism by its public policies and its opposition to neo-liberal economic orthodoxy. Greater intervention in the economy, including the nationalization of natural resources, alongside new education and health programmes are among the measures adopted by the new populist leaders in their endeavors to strengthen the role of the state. High prices in the world energy markets have allowed the governments of Bolivia, Ecuador and Venezuela to use gas and oil to finance their programs, and afforded them a ‘political weapon’ in dealings with foreign countries”.¹² Another common characteristic of left-wing populism is its link to and affinity with Cuban socialism, and an anti-globalization policy.

The current situation is changing in Argentina. The left wing and populist party of President Cristina Fernandez de Kirchner and her husband (the former president Nestor Kirchner) lost the elections against leaders of the right wing. In spite of putting all the apparatus of the government and a great amount of resources into the elections, they did not obtain the victory, and lost their majority in the congress. In Chile, as stated previously, the rightwing multi-millionaire Sebastian Piñera had won Chile’s presidential runoff on January 17, 2010 with 51.6% of the vote.

In Uruguay, the candidate of the former president Tabare Vazquez won the election and announced that he will continue with the same program situated in a moderate socialist government. In Venezuela, Chavez is facing the September elections but with his economy in crisis.¹³ In Bolivia the political crisis still continues after important clashes between supporters and opponents of President Evo Morales in September 2008.¹⁴

2. Case Studies: Venezuela and Bolivia

I would like to analyze all the populist governments in Latin America, but will focus on two clear examples, Venezuela and Bolivia. The reason for this choice is Chavez's pretensions to be a leader in the region and his use of oil as a tool in international relations, in addition, oil provides the necessary funds to maintain the populist system and his Bolivariana Revolution. Making a parallel from Chavez to another figure with similarities political conceptions is Evo Morales in Bolivia and his use of natural gas in the same way than Chavez uses oil.

2.1. Venezuela:

During the 1980s Venezuela suffered an important economic crisis caused by the low price of oil and rampant corruption. This crisis reduced the level of general tolerance of unethical behavior and this attitude can be displayed by the impeachment of the former president Carlos Andres Perez in 1993 on charge of corruption.¹⁵ It is standard in South America that after an important economic collapse the scenario allows the rise of the populism. On February 4, 1992 a group of middle – ranking military officers attempted to overthrow Carlos Andres Perez, promising to restore patriotism and defend the interests of common Venezuelans, the leader of this group was Lieutenant Colonel Hugo Cesar Chavez Frias. He emerged like a national leader; the group called itself the Simon Bolivar Revolutionary Movement. Chavez offered to receive an amnesty as he started to work in his political project. In 1998, unlike his rivals, Chavez ran for president. In his campaign he, sharply criticized massive privatization and the corruption. He won in December 1998.¹⁶

Chavez power is based on:

- The popular classes, which were excluded by the traditional political parties normally led by traditional families that failed to develop public health, education and social mobility “a coalition of losers”.¹⁷ In Latin America there are strong familiar traditions in the dedication to the policy, for example, 50% of parliamentarians are recognized to have some relative who dedicates itself to the political activity.¹⁸
- The use of officials of the Armed Forces as administrators of the state companies is a common practice.
- The use of monetary funds gained by nationalizing oil, steel, telecommunications, cement and banking industries to finance his political projects. This incredible amount of money allowed Chavez to create and mobilize his supporters (such as Bolivarian Circles and Communal Councils) like tools of his participative democracy. His economic measures have handicapped foreign investments which have; in turn, handicapped work generation. This system has made Venezuela oil dependent and more vulnerable to international markets decisions which are outside of its control.¹⁹
- The use of referenda like a tool of legitimacy.
- His demagogic use of power and media (Chavez conducted a weekly TV program called “Alo Presidente” (Hello Mr President)). All the media companies that opposed his program were been closed or nationalized.²⁰

The Venezuela constitution was changed in 1999 in order to allow the presidential figure to concentrate more power in his hands²¹. It is a clear characteristic of populism. The success of

Chavez is based on the failure of the traditional parties. Chavez invested more money on social projects, education and wealth than his opponents have. "The elites that governed before him squandered resources and ignored fundamental needs for decades"²². The poor Venezuelan people felt, for first time in their lives, the presence of the state. This has made Chavez quite popular and allowed him to make important political changes and concentrate power in his own figure to the demerit of the other powers of the state.

In the words of the Nobel laureate Gabriel Garcia Marquez, Chavez is "an illusionist, who could pass into the history books as just another despot"²³. However, his supporters believe that he is "a hero driven by humanitarian impulses to redress social injustice and inequality -- problems long neglected by a traditional political class intent on protecting its own position while denying the masses their rightful share of wealth and meaningful political participation. He is bravely fighting for Latin American solidarity and standing up to the overbearing United States"²⁴.

In spite of all his mismanagements of national or international affairs Chavez still continues with his 21st Century Socialism. His anti-American rhetoric it's the classical resource of the Latin American populist, to put the cause of the internal problems in an external actor, (We are goods, but the evil do not allow our progress).

2.2. Bolivia:

Bolivia is an excellent example of an economic and governability crisis mixed with the rise of a social protest movement. These factors allowed the rise of Evo Morales with his indigenous movement party Movement to Socialism (MAS). Morales is the most important ally of Chavez.

The political scientist Eduardo Gamarra described the social and political situation before Morales in this way “as long as productive resources remain highly concentrated and the urban middle class remains dependent on state resources, government will remain a commodity and patronage will continue to impede the consolidation of democracy institutions”²⁵.

Two-thirds of Bolivia’s population is indigenous or “mestizo” (mix between white and indigenous). The Bolivian traditional parties historically marginalized the indigenous people. Morales capitalized on this historically marginalized population and with an inclusive discourse appealed to nationalist feeling and in the middle of the crisis of neo liberal policies, implemented by the former president Enrique Sanchez de Losada. During the crisis Morales played a central role in the violent demonstrations demanding the nationalization of the energy sector that led to the resignation of President Gonzalo Sanchez de Lozada in October 2003. After the crisis Morales won the elections in 2006.²⁶

One of the most important aspects of the Evo Morales success “was its embrace of traditional populist policies, rhetoric, and organizational ties. Like traditional populist parties, the MAS denounced existing political elites and institutions, attracting the support of many politically disenchanted voters. “The MAS’s highly statist and nationalist platform also attracted many voters who had traditionally supported populist or leftist parties”.²⁷ It was the first time in the Latin America history that an indigenous movement was raised into power. Morales is a unique example of what may be called Ethno Populism.

While he remains popular among his indigenous base, his policies have worried and, in some cases, antagonized many middle-class Bolivians who believe he is too radical. This situation divided the country in two clear groups. First the majority of the white population called “cambas” in the west area included the wealthy Departments of Trinidad, Beni, Pando,

Tarija and Santa Cruz de la Sierra Departments. These areas were the base of the power for the traditional parties and are where the most important natural resources are located. In the rest of the country where the majority of the population is indigenous is the base of Morales's power. In spite of his radical socialist rhetoric Morales has moderated his rhetoric and accepted some changes in his economic policy.

"The concurrent situation of the MAS (Morales Political Party) is described in this way by a Bolivian political scientist René Antonio Mayorga " Since its beginnings as a conglomerate of cocalero syndicates forged by direct action, the MAS has been essentially an authoritarian and anti-democratic movement, where internal debate, acceptance of dissent and the clash of ideas are foreign concepts. As a governing party the MAS has become an organization controlled by a small group of people who exercise power in the name of indigenous social movements and whose members, like (vice president Alvaro) Garcia Linera or (minister of the presidency) Juan Ramón Quintana were never members of the MAS and who joined the party during the electoral process".²⁸

Alvaro Garcia Linera is considered the power under the shadow, the brain of Evo Morales and his Bolivian Socialist Revolution. Morales's socialist revolution is intended to rebuild the country as a plurinational republic.

The most significant Morales government measures are²⁹:

- Undertaking programs to significantly redistribute the nation's wealth, including increased pension and social security payments for the elderly and expanding feeding programs for school children.
- Realigning Bolivia closely with Venezuela, Cuba and Iran while permanently opposing the United States and expelling its ambassador and other officials. A complete break with the decades-long U.S. sponsored counter-narcotics policies and the expulsion of all U.S. counternarcotics agents.

- Significantly altering the rules of foreign investment in favor of the Bolivian state.
- Sponsoring and overseeing the radical rewriting of the nation's constitution, including redistributing power to the indigenous populations and opening the door for widespread land reform.
- Installing staunch ruling party loyalists in key positions that were intended to be reserved for non-political, professional appointees, such as the nation's comptroller general.
- Enhancing the rights of indigenous peoples.

These extreme measures have placed Bolivia in the middle of a possible fracture of the nation, between the western Bolivian indigenous “Coyas” and the eastern Bolivian “Cambas”. It is a clear example of the polarization produced by the populist policies. However, in the same way than Hugo Chavez controls with the oil, without the money provided by the nationalization of the gas and oil companies, it is impossible for Evo Morales to carry out his reform.

3. Framing the Populist Threat in the Region:

As result of all these political factors, the populist revival in South America has been cataloged as significant threat to the region's stability. Hugo Chavez has been linked with Adolf Hitler by the former U.S. Defense Secretary Donald Rumsfeld.³⁰ This statement by the Secretary of Defense of the United States seemed to place Chavez as an important threat to the region's stability. Examining the relationship between different actors in the international scenario, these relations must be cataloged only in two ways, either as cooperative relations or competitive relations between the major interests.

Chavez is the only Latin American populist leader who had manifested his will to play an international role in a multi-polar world, and his policy is the most openly hostile to the United States. Chavez had tried to tighten ties with Russia and China. With China he signed an agreement to buy very important and costly weapons and his intention was to transform China into his most important oil buyer. It is more based in the Venezuelan economic problems than an ideological alignment, "Venezuela is struggling with multiple problems including a cash crunch caused by President Hugo Chavez's use of oil money to fund socialist projects, surplus fuel oil due to refinery outages and must seek alternative buyers for the crude"³¹.

Today China has not become the proposed major Venezuelan oil buyer, one of the reasons may be the distance, the other is the incapacity of PDVESA (Venezuela Petroleum Company), to increase its level of production, "Chavez acknowledged ...that oil production in Venezuela dropped by 400,000 barrels a day last year"³², this incapacity to increase the level of production, is caused by years of lack of inversion. PEDEVESA produces today less than they produced before the nationalization process. With Russia he described the

relationship like a strategic alliance but Medvedev did not put the relationship on the same level.

In the economical arena, Venezuela has a clear cooperative relation with the United States. Venezuela is the second major exporter from the region to Washington and one of which it buys to him more. Chavez sells more to the United States than Taiwan, Italy and even other oil countries like Saudi Arabia, Malaysia and Russia. The deficit of the United States with Venezuela is the seventh greatest one with respect to an individual country.³³ Undoubtedly in this important interest, the United States must continue to obtain energy and Chavez needs to sell his oil in order to maintain his system of government, therefore the relationship is more than cooperative.

In the Latin America policy, Chavez's efforts in order to bring his allies to power have not been successful. Peru's candidate supported by Chavez, Ollanta Humala, lost the elections in front to Alan Garcia, in addition his introduction in the internal policy problems of Peru resulted in the almost total breakdown of relationship between Peru and Venezuela³⁴. In relationship with the FARC, in early 2008 there appeared evidence that Chavez supported this insurgent movement, however the scandal and the condemnation of the international community forced Chavez to rethink his policy and in the middle of 2008, he stated that FARC should abandon the armed struggle and negotiate an end to the civil war in Colombia³⁵.

In his international policy, Chavez tried to obtain regional support to obtain a seat in the UN Security Council. However despite of all his petrol dollars it was impossible to obtain enough regional support because, in this issue, Brazil was the natural candidate. After this failure Chavez abandoned the idea. The real facts are as one scholar notes " the impoverished

Caribbean and Central American Nations that constitute one of Chavez's core diplomatic constituencies have offered expressions of friendship and occasional trade and political benefits in exchange for Venezuelan oil but they have also maintained diplomatic independence and in some cases continued to have strong relations with the United States³⁶.

In this situation it is possible to understand Argentina, which more than an alignment with the Chavez government, is driven by the necessity of the Kirchner government to obtain economic benefits with this relation³⁷. After the loss of the Argentinean elections during 2009, the relationship between Chavez and Kirchner appeared colder; one of the most important critiques made by the opposition was this relation between Argentina and the Chavez policy. In spite of Argentina's rhetoric, it maintains a cooperative relationship with the United States, in aspects such as; combined military exercises, and technology. An example of this is the agreement signed by both countries in nuclear technology for peaceful use that allows Argentina to maintain a subsidiary of its National Company for nuclear project INVAP in the United States³⁸. The relationship between Argentina and the United States has been qualified as excellent by the American ambassador in Buenos Aires³⁹.

The other populist leader is Rafael Correa in Nicaragua, and in spite of his relationship with Chavez, he destroyed more FARC camps on the border with Colombia than his predecessors. In addition Rafael Correa did not follow Chavez's and Morales policies in 2008, when these populist leaders expelled the U.S ambassador. This fact demonstrated that Correa is more pragmatic than ideological. Morales and Castro remained the more clear allies of Chavez policy. Brazil, Chile, Uruguay and Peru, where leaders look like social democratic are out of the Chavez influence.

Actually Venezuela is suffering the country's most important economic crisis. The Venezuelan national budget was made considering the price of the oil barrel as \$60.00 per barrel while the actual price is \$ 38.00. This situation, in an oil based economy, is catastrophic. In addition, Chavez is facing an important electrical energy crisis promoted by his lack of investment in this area. In this context the next electoral process in September looks critical for Chavez because his system is based on political clientelism.

4. Conclusions:

- Populism in South America is an endemic situation. It is a product of historical and economic factors, like poverty and deficient education. The rise in power of the populism in South America is mostly a response of the economic and social disasters.
- In spite of different ideological alignment the rhetoric and the common practice is almost always the same.
- The lack of representation of the lower classes in the traditional parties allows the rise of populism.
- In fact the anti-American policy is more rhetoric than pragmatic as in almost all the Latin American countries have cooperative relation with the U.S.
- The third wave of populism began in Latin America in 1998 and lasted 10 years and the region is in a stabilized situation.
- The left wing populist government that looks like a danger during 2006 did not materialize any danger for the region.
- The Chavez ambitions are grander than his capabilities.⁴⁰
- Evo Morales did not show his ambitions to export his model and lack of the economic support to promote it.
- The populist circle is endemic, populist policies lead to authoritarianism, social polarization and social economical collapse.
- In the rhetoric of most populist leaders is an ever present anti American feeling, as the cause of his evils which openly challenge American influence and interest. But in the fact their attitude is more cooperative than competitive.

Viewed in this light, the consequences of the populist regimen are perhaps not as starkly threatening to the United States and the region stability as was assumed. The threat of the Latin America Populism was overestimated.

¹ Jose Maria Aznar "The threat of the populism", Argentina Critical Newspaper, (April 2007), <http://www.diariocritico.com/argentina/2007/Abril/noticias/18060/aznar-alerta-sobre-el-populismo-en-latinoamerica.html> (accessed December 21, 2009).

² Caudillo: Latin American military dictator. In the wake of the Latin American independence movement in the early 19th century, politically unstable conditions and the long experience of armed conflict led to the emergence in many of the new countries of strongmen who were often charismatic and whose hold on power depended on control over armed followers, patronage, and vigilance. Because their power was based on violence and personal relations, the legitimacy of the caudillos' rule was always in doubt, and few could withstand the challenges of new leaders who emerged among their own followers and wealthy patrons. Encyclopedia Britannica, <http://www.britannica.com/EBchecked/topic/100372/caudillo> (Accessed February 11, 2010).

³ Susanne Gratius, The "Third Populist Wave" of Latin America, FRIDE, (October 2007), <http://www.fride.org/publication/281/the-third-populist-wave-of-latin-america> (accessed December 27, 2009)

⁴ Susanna Gratius,³

⁵ Toribio Candil, "The New Populism", CESEDEN, (2009. Num: 309) http://www.ceseden.es/centro_documentacion/boletines/309.pdf (accessed January 01, 2009)

⁶ Brands Hall, Dealing with Political Ferment in Latin America, U. S. Army War College, (September 2009), v

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